

APPROVED: Meeting No. 5-83

ATTEST:

MAYOR AND COUNCIL
ROCKVILLE, MARYLAND
MEETING NO. 4-83

February 14, 1983

The Mayor and Council of Rockville, Maryland, convened in General Session in the Council Chamber, Rockville City Hall, Maryland at Vinson Street, Rockville, Maryland, on Monday, February 14, 1983, at 8:00 PM.

PRESENT

Mayor John R. Freeland

Councilman Steve Abrams

Councilman Douglas Duncan

Councilwoman Viola Hovsepian

Councilman John Tyner, II

The Mayor in the Chair.

In attendance: City Manager Larry Blick; City Clerk Helen Heneghan; City Attorney Paul Glasgow.

Re: City Manager's Report

Mr. Blick reported the following:

1. The demolition contractor had completed the seeding and the mulching of the Maryvale School site prior to the big snow last week.
2. For the past seven (7) years, several volunteers under the leadership of Mr. Stan Seemann have been helping low-income residents fill out their income tax forms. This service is provided by appointment and formerly was given in the old Woolworth Building. It is now being provided in City Hall.
3. Last week the City issued building permits for eleven (11) single-family dwelling units to be built on the former Drive-In site; and a building permit to Prudential Insurance Company for a 144,000 square foot \$7,000,000 office building on Research Boulevard.
4. The shipment of new doors for the Mayor and Council Chamber was delayed by the trucker's strike. They were to be shipped last Friday.
5. Mr. Blick then proceeded to give a status report on snow removal in the City. Mayor Freeland commented that he got about eighteen (18) calls during the storm, mostly from people who lived on cul-de-sacs. He said the City could not improve its service unless it hired many additional people and purchased additional equipment. He commended the crews for the fine work they did under the worst of circumstances.

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Councilman Tyner suggested that the new speaker stand is very large and makes it difficult to see the audience. He asked that the staff come up with something smaller.

Re: Citizen's Forum

The Mayor opened the meeting to those citizens who wished to address the Mayor and Council.

1. Mayor Freeland took the prerogative of the Chair and introduced the Chairman of the Public Education Advisory Commission present in the audience, who had temporarily recessed their meeting this evening in order to be introduced to the Mayor and Council. Elaine Goldberg of 719 Harrington Road thanked the Council for her appointment and introduced the other members of the Commission: Alicia Fink, Joan Simi, Paul Tierney, Mary McEachern, Naomi Josephs, and Charles Haughey. The Mayor thanked them all for their willingness to serve the citizens in this capacity.

2. William Allen, 926 Farm Haven Drive. Mr. Allen thanked Mr. Blick for the superior job done in plowing the North Farm community during last weekend's storm. He expressed the appreciation of his entire neighborhood since all homes were completely accessible by 12:30 PM on Saturday.

Re: Appointments

Mayor Freeland, with the confirmation of the Council, made the following appointments:

1. Jeryl Gegan to the Rockville Housing Authority to fill an unexpired term until August of 1984.

2. Planning Commission Liaison to the Housing Policy Task Force - Frances Manderscheid with alternate Grandville Paules.

3. Sister Cities Task Force: Dickran Hovsepian, Chairman; Gary D. Funkhouser; Emmi Preisendorfer; Michael A. Moran; Gabrielle Von Nordheim; John Colton; and, Brigitta Mullikin.

Re: Adoption of Ordinance:
To Authorize Public
Improvements - Reconstruction
and Widening of South
Stonestreet Avenue from
Baltimore Road to Veirs Mill
Road Ramp at Reading Avenue
Ordinance No. 4-83

Councilwoman Hovsepian suggested that in light of the opposition at the public hearing that the staff talk to the dissenting property owners to see if they would be willing to pay a part or a portion of the assessment.

Mayor Freeland asked if the City would be doing before and after valuation assessments. The City Manager said it is difficult in this area since it is already built up, that particular process won't work. The cost will be calculated by the staff and discussed with the property owners.

At the time of assessment, options will be presented to the Mayor and Council for a payment of from nothing to one-hundred percent (100%) and areas in between. He said retail property does increase in value with traffic passing the door. However, a company like C & P Telephone has a different type use and it does not show that much of a valuation improvement.

Councilman Tyner asked that the Mayor schedule a work session on the City's assessment policy. It has been a long time since the Council looked at the procedure. Mayor Freeland said he would add that to his list for work sessions, and added that the Council will have to spend some time on this since it is not an easy task to decide.

On motion of Councilman Abrams, duly seconded and unanimously passed, Ordinance No. 4-83, the full text of which can be found in Ordinance Book No. 11 of the Mayor and Council, authorizing the public improvements for the reconstruction and widening of South Stonestreet Avenue was approved by the Mayor and Council.

Re: Award of Contract: Lease/
Purchase Finance Agreement
for Word Processing and
Computer Terminals and
Printers

On November 8, 1982, the Mayor and Council awarded a contract to Hewlett-Packard for the purchase of terminal/word processing units and terminals for the computer system. The recommendation also included a provision that a separate bid be authorized for financing both the terminals and an upcoming bid for printers with a tax-exempt lease/purchase agreement. This recommends the award of the financing bid to Baker, Watts and Company.

Request for Proposals was issued for a lease/purchase agreement for the acquisition of Hewlett-Packard Word Processing Workstations, Hewlett-Packard

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Video Display terminals, Daisy-Wheel Letter Quality Printers, Dot-Matrix Serial Printers, and System Utility Software.

The RFP was opened January 18, 1983, and five proposals were received.

All of the companies submitting proposals conformed with the solicitation requirements.

The quotations listed reflect each company's total offer for a five year lease with payments made semi-annually. Award is to be made on the basis of the lowest total offer inclusive of the best buy-out terms.

<u>Company</u>	<u>Total Amount To Be Financed (Est. Amount)</u>	<u>Total Offer</u>	<u>Total Financing Cost For 5 Years</u>	<u>Interest Rate</u>
Baker, Watts & Co.	\$79,000	\$102,067.30	\$23,067.30	9.9%
Municipal Leasing Corporation	79,000	105,430.00	26,430.00	11.25%
Union-Tidewater	79,000	105,941.60	26,941.60	11.45%
Gelco Equipment Leasing Company	79,000	107,696.00	28,696.00	12.14%
Imperial Municipal Services Group	79,000	108,050.05	29,050.05	Not Computed

Baker, Watts & Co.'s buy-out terms were also lowest of the 5 bidders.

Inasmuch as Baker, Watts & Co. was the winning syndicate manager for the City's last bond issue, the company has been determined to meet the City's criteria for responsibility.

Based on the above information, it is recommended that an award be made by the Mayor and Council in the amount of \$102,067.30 for a five year lease/purchase agreement for the acquisition of the video display terminals and the printers. The semi-annual payments would be in the amount of \$10,206.73

Councilman Tyner asked if there was a clause in the contract to affect the state of the art in the event of a purchase. Mr. Lawton explained this process will bring ownership at the end of five (5) years. Councilman Tyner noted that the staff should be aware that they will own this particular generation at the end of that time.

On motion of Councilman Tyner, duly seconded and unanimously passed, the financial agreement award was given to Baker, Watts and Company for a total amount of \$102,067.30 over the five (5) year period.

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Re: Adoption of Ordinance:
To Add a new Section
12-1.18B to Chapter 12
of the "Laws of Rockville",
entitled "Public Nuisances,
Morals and Conduct", to
require certain contracts
for sale of real property
to notify purchasers of
levied or estimated special
assessments.

Ordinance No. 5-83

On motion of Councilman Tyner, duly seconded and unanimously passed, the ordinance was amended to include language stating:

"The seller shall have ten (10) working days from final ratification of the contract to provide the purchaser with written notification of levied or estimated special assessments. In the event that the required statement is not provided, the purchaser shall have the right, in addition to any other available rights or remedies, to terminate the contract at any time prior to conveyance of the property."

On motion of Councilman Tyner, duly seconded and unanimously passed, Ordinance No. 5-83, the full text of which can be found in Ordinance Book No. 11 of the Mayor and Council, requiring notification of pending special assessments was adopted by the Mayor and Council, as amended.

Re: Adoption of Ordinance:
To Amend Section 11-1.06
of Chapter 11 of the
"Laws of Rockville",
entitled "Traffic, Vehicles
and Transportation", to
provide for a penalty for
failure to pay fines within
a duly prescribed time and
to make technical corrections.

Ordinance No. 6-83

Councilwoman Hovsepien asked if the penalty can be raised again or is this just a one time raise. The City Manager explained how expensive the process is handling the flagging, and it is the staff's hope that raising this fine might prevent that process.

On motion of Councilman Duncan, duly seconded and unanimously passed, Ordinance No. 6-83, the full text of which can be found in Ordinance Book No. 11 of the Mayor and Council, providing for a penalty for failure to pay fines was adopted by the Mayor and Council.

Re: Approval of Hotel Franchisor
in the Town Center

In accordance with Article II, Section 2.01 (c) of the Disposition and Development Agreement executed on June 18, 1982, Peter Stahel has requested on behalf of New Rockville Town Center Partners, approval of Quality Inns International as the franchisor of the hotel to be constructed on Parcels H-1 and H-2 in the Town Center. Because of the proximity of the Rockville location to their Corporate Headquarters, officials of Quality International have indicated an intent to use the Rockville facility as a model of what a Quality Inn should be when dealing with potential franchises. Quality International operates three levels of hotels; the luxury Quality Royale, the Quality Inns, and the less expensive Comfort Inns.

The Rockville hotel is proposed to be a flagship, three star, Quality Inn; a facility which is felt to be suitable for Rockville's business/community needs. The hotel will contain 250-275 rooms and will be designed so as to provide for a possible future expansion of 100-150 additional rooms. The facility is proposed to contain meeting rooms and small convention facilities, banquet areas, restaurants, bar/lounge, and an indoor swimming pool. It will be designed to connect to the New Rockville Town Center Partners office development atop the garage deck via an atrium.

The development of a Quality Inn on the Courthouse Square parcel is in keeping with the intent and goals of the Town Center Plan. It is, therefore, recommended that the Mayor and Council of Rockville approve the submission of Quality Inns International as the hotel franchisor for Parcels H-1 and H-2.

Councilman Tyner moved, duly seconded, that the disposition agreement be amended to add the name of Quality Inn to those hotels listed there.

Councilman Abrams asked that the Council consider an alternate motion, and instead of technically adding a name to the names already on the list, that the Council consider accepting the submission from Mr. Stahel and the representations with it as conforming to the disposition agreement. He noted the

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disposition agreement states the hotel must be one of those on the list or else the Mayor and Council must approve; he is suggesting that it be handled this way. Councilman Tyner disagreed and said it might be possible, if Councilman Abrams motion were adopted, for the Mayor and Council to straight-jacket the developer. Councilman Tyner and Councilman Abrams debated this point at length. City Attorney Glasgow attempted to clarify the discussion explaining that there are five (5) accepted franchises, absent one of those, a vote is needed. The net effect is no different following either Councilman Tyner or Councilman Abrams motion.

Councilman Tyner amended his motion to read as follows:

"Based on the representations contained in the letter of February 8, 1983, from New Rockville Town Center Partners, information submitted by Quality International, and the recommendations of the City staff, Quality International is found by Mayor and Council of Rockville to be a franchisor acceptable to the City pursuant to Section 2.01(c) of the Disposition and Development Agreement of June 18, 1982, Quality International agreeing to license or operate a hotel to be constructed on Courthouse Square Parcels H-1 and H-2."

Councilman Duncan, the seconder, accepted the amendment to the motion. The motion passed unanimously. Councilwoman Hovsepian read from the memo presented to the Council to be sure that everything was clear. Councilman Abrams said that he had no difficulty in supporting this amended motion. He simply raised the issue because of previous discussions, and did not want the Council to ever forget the legal prerogative it is allowed.

Mayor Freeland asked that the press releases clearly spell out just what the City would be expecting.

Re: Approval of Agreement
between the City and banks
in Elimination of Second
Mortgage Requirement in
Community Development Block
Grant Loan/Grant Home
Improvement Program

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This past summer, the City entered into agreements with two local banks regarding funding for the home improvement program. At that time, staff was seeking a means to assure repayment of all or a portion of Community Development Block Grant (CDBG) funds if properties were sold within a specified period of time in order to prevent speculation and/or profit taking. The banks were requested to devise a mechanism to protect the City contribution. Contained in the agreement with the banks a section was included that stated that all loans in excess of \$2,500 will be secured by a mortgage properly recorded.

In the ensuing months, it has been determined that the second mortgage requirement is causing many eligible households not to participate in the loan and grant program. Many of the homeowners are fearful of having a second mortgage placed upon their property. In addition, the \$200 to \$400 settlement cost has been identified as a further deterrent in participating in the program.

In order to provide the City with a means of protecting its contributions of CDBG funds, the City Attorney's Office developed a mechanism, in the form of a lien against the property, by which the City's contributions are tied to the property without the use of a second mortgage.

By use of a recorded lien, a homeowner who sells or transfers his property within five years from the date of completion of the rehabilitation work must repay a percentage of the funds which were granted by the City. The amount of repayment ranges from 100% during the first year to 20% during the fifth year. No repayment of any funds is required after the completion of the fifth year. A copy of the Lien/Community Development Block Grant Agreement is attached.

Staff has discussed the possible modification of the loan agreement with the First Womens and First National Banks, the two participants in the program. Both banks are willing to delete the requirement of placing a second mortgage against the property in order to generate greater activity in the program.

It is recommended that Sections E and F, on Page 4, of the Agreement with First Womens Bank be deleted. This action will eliminate the second mortgage requirement.

It is further recommended that Section E, Page 3, of the Agreement with First National Bank be eliminated. This is the only action necessary to delete the second mortgage from this Agreement.

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On motion of Councilman Abrams, duly seconded and unanimously passed, the Mayor and Council deleted Sections E and F from page 4 of the Agreement with First Womens Bank, and Section E page 3 of the Agreement with First National Bank.

Re: Approval of Free Exterior
Paint Program for
Qualifying Residential
Properties

Staff recommends the reinstitution of the free exterior paint program. This program is a "sweat equity" reimbursement. During 1980 and 1981, two hundred twenty-one (221) homeowners participated in the program at a total cost of \$24,461. CDBG Funds from the Loan and Grant Program were utilized. In addition, through the "domino effect," many other homes were painted and spruced-up. Again, owner-occupants would provide the labor to paint the exterior of their homes and the City would rebate the cost of the paint, caulk, putty, and glazing compounds only, utilizing CDBG funds. No equipment expenses (brushes) are reimbursable.

Staff has secured the involvement of three local businesses in this program. McCormick Paints, Duron Paint Store (Congressional Plaza) and Winslows' (Hungerford Drive) have all agreed to participate. If a homeowner chooses to purchase paint of a better quality at a higher price, then the homeowner assumes the increased expense.

Staff recommends that the program be available City-wide.

On motion of Councilman Duncan, duly seconded and unanimously passed, the Free Exterior Paint Program was approved by the Mayor and Council. Councilwoman Hovsepian commented that she wished it could be made available to encourage single family rentals to do the same.

Re: Approval of Participation
in Community Development
Block Grant Deferred Loan
Program for a Second Time

Staff has received approximately two dozen calls from citizens who have already participated in the CDBG loan/grant program requesting that they be allowed to participate for a second time in this program. At the outset of the program, there were cases when the amount of the loan or grant was not sufficient to cover all items that required attention. Consequently, some items were deleted

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because other items received higher priority. The deleted items included new roofs, hot water heaters, storm windows and insulation. Also, since several years have passed since their initial involvement in the program, new code violations have resulted over the course of time. These same households cannot afford to make necessary repairs without financial assistance. Staff proposes and recommends that applicants be allowed to participate for the second time in the program provided that they meet special criteria.

Councilman Tyner cautioned that the staff monitor the program closely so that monies are still available for first time users. The staff assured Councilman Tyner that this would be done. The Mayor asked a reasonable time frame for monitoring this. Councilman Tyner suggested that six months experience be watched closely.

On motion of Councilman Duncan, duly seconded and unanimously passed, the Mayor and Council adopted the provisions to apply for people who participate the second time in the home improvement program.

Re: Decision and Instructions
to Staff re Zoning Text
Amendment T-35-80, To
Increase Parking Requirements
for Housing for the Elderly

This Text Amendment would increase the required number of parking spaces for each dwelling unit used as housing for either the elderly or physically handicapped from one space for each four dwelling units to one for each three dwelling units. The Text Amendment would also permit either the Board of Appeals or Planning Commission to increase the parking requirement based on the location of the development, availability of public transportation, or characteristics peculiar to the housing project that will, in the judgment of either the Board or Commission require additional parking. In addition, all parking would have to be located within 150 feet of the building served.

The staff recommends the following as an alternative to the proposed amendment in order to permit some flexibility in the provision of parking for the elderly and physically handicapped:

1. Provide a smaller increase in the parking requirement -
one space for each three dwelling units.

2. Allow the Board of Appeals or the Planning Commission, as the case may be, to require additional parking based on the location of the development, availability of public transportation, and characteristics of the housing project.
3. Require that all parking provided must be within 150 feet of the building served. This is a requirement of the Department of Housing and Urban Development wherever loans are insured by that agency and should be reflected in our Zoning and Planning Ordinance.

This Text Amendment was the subject of a Mayor and Council public hearing on June 2, 1980.

Staff recommends adoption of T-35-80 in its modified version as set forth here and above.

On motion of Councilwoman Hovsepian, duly seconded and unanimously passed, staff was instructed to prepare the necessary legal documentation to grant the application according to the staff recommendations as outlined.

Re: Correspondence

The Mayor and Council noted the following items of correspondence:

1. Joyce Andrews, re 106 S. Adams Street Zoning
Councilwoman Hovsepian brought this to the Council's attention since it was a letter she had received. She asked that the formal response go out over the Planning Director's signature. She will send a note to the correspondent.
2. Delegate Gordon, re MC/PG 2-83
Councilman Tyner said the Senate had voted to process this bill although Senator Shore opposed it. He asked that another letter be sent. Councilman Duncan suggested that the wording say "Rockville be deleted from the bill." The Mayor agreed and asked that this letter be drafted immediately. Councilman Abrams suggested that Rockville be an initiator and explain the ground rules and the ownership of capacity, and what it means. He said it might be possible that some of the legislators need some education on the process. The Mayor agreed and asked that the letter be drafted immediately. He then requested Councilman Abrams map out a strategy.

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3. ACM Associates, re Recent Award
4. Consumer Congress, re Meeting
5. Giant Food, re Driveway
6. MFOA, re Finance Officer qualification program
Councilman Tyner drew attention to Mr. Lawton's qualifications and complimented him. Mayor Freeland also commended Mr. Lawton for his performance during the snow emergency, and all the people he transported using his four-wheel drive vehicle.
7. TCA, re Neighborhood Problem
The City Manager said that the staff would be bringing back a report to the Council. Mayor Freeland asked that the staff's response be included in the information section.
8. Letters complimenting City employees

Re: Information Items

1. Information on Rollins Post Office
2. Senior Center Newsletter
3. Letter complimenting Fire Department
Letter complimenting Police Department
4. Response to Citizen Complaint
5. Memo re City Participation in MML
Councilman Duncan requested a more accurate picture of the financial involvement that would include Mayor and Council travel. He also asked that it include Chapter and National League of Cities expenses. Councilman Abrams agreed and said a cursory examination looks like approximately \$50,000 is spent on the Maryland Municipal League.
6. Copy of Citizen Complaint
7. Memo re CDBG Funding in Rockville
Councilwoman Hovsepian said she is most pleased to see this because it enables the City to fund all those projects requested. Mayor Freeland noted there is a long time between the request being made, approval being granted, and the spending to take place. He suggested something might be done to accelerate the process. The City Manager said that the

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planning and administration work can be done in advance.

The Mayor approved of this idea, and asked that the Housing Authority move their portion along quickly.

Re: New Business

1. Councilwoman Hovsepian said she had received a call from a person concerning the County law on the presentation of a gun registration certificate in order to buy bullets. The County Council has been advised that it is un-Constitutional to pass this bill, but is still going ahead and letting the courts decide. She wanted the Mayor and Council to be aware of this for future action. Mayor Freeland agreed that the City will be hearing more of it since the town of Martinsgrove, Illinois, just had the Appellate decision in its favor.

2. Councilman Duncan asked the status of the Consumer Affairs legislation. Mr. Glasgow said that it had been sent over to Montgomery County pointing out some errors. As soon as it is returned, it can be introduced in coordination with Montgomery County's legislation.

3. Councilman Tyner said SB551 Enclave Legislation is moving along so that the staff might begin preparing testimony favoring that bill; and, HB156 has been introduced that would eliminate the five-year moratorium on rezoning after an annexation. He said this must be monitored closely.

Re: Approval of Minutes

On motion of Councilman Duncan, duly seconded and unanimously passed, the minutes of Meeting No. 3-83, January 31, 1983, were approved as amended.

Re: Executive Session

On motion of Councilman Abrams, duly seconded and unanimously passed, the meeting was closed for Executive Session to discuss litigation, personnel, and property disposition.

Re: Adjournment

There being no further business to come before the Council in executive session the meeting was adjourned at 10:45 PM to convene again in general session on Monday, February 28, 1983, at 8:00 PM or at the call of the Mayor.